

§ 3210.3

the same as if the land had been included in the original lease when it was issued.

§ 3210.3 Determination of priorities.

(a) No lease shall be issued before final action has been taken on (1) any prior application to lease the land, (2) any subsequent application to lease the land that is based upon a claimed preferential right, and (3) any petition for the renewal or reinstatement of an existing or former lease on the land.

(b) Where a lease is issued before final action has been taken on such applications and petitions, it shall be canceled, and the advance rental returned, after due notice to the lessee, where the applicant or petitioner is found to be qualified and entitled to receive a lease of the land.

(c) Applications for lease received in the mail or delivered on the same day will be deemed to have been simultaneously filed, and the right of priority and the order of processing will be determined by a public drawing.

(d) Prior to the issuance of any lease, a determination shall be made as to whether or not the lands are within a KGRA. Applications for lands determined to be within any KGRA will be rejected.

§ 3210.4 Rejections.

If, after the filing of an application for a noncompetitive lease and before the issuance of a lease, or amendment thereto, pursuant to that application, the land embraced in the application becomes included within a KGRA, the application will be rejected as to such KGRA lands. The authorized officer retains discretion to reject an application for a noncompetitive lease even though the tract for which application is made is not determined to be within a KGRA.

PART 3220—COMPETITIVE LEASES

NOTE: The information collection requirements contained in part 3220 of Group 3200 have been approved by the Office of Management and Budget under 44 U.S.C. 3507 and assigned clearance number 1004-0074. The information is being collected to allow the authorized officer to determine the qualified bidder of the highest bonus bid for a com-

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petitive lease parcel. This information will be used in making those determinations. The obligation to respond is required to obtain a benefit.

(See 48 FR 24368, June 1, 1983)

Subpart 3220—Competitive Leases: General

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AUTHORITY: The Geothermal Steam Act of 1970, as amended (30 U.S.C. 1001-1025).

Subpart 3220—Competitive Leases; General

§ 3220.1 General.

(a) Lands within a KGRA, except as provided under § 3201.1 of this chapter, will be available for leasing on the effective date of these regulations.

(b) The authorized officer will accept nominations to lease, or may on his own motion from time to time call for nominations to lease. Nominations may be withdrawn at any time.

[38 FR 35094, Dec. 21, 1973]

§ 3220.2 Notice of lease sale.

§ 3220.2-1 Contents of notice.

The notice of lease sale shall state the time, date and place of the sale, shall include a general description of the lands offered for sale and information on where the detailed statement of the precise description and terms and conditions of the lease(s), including rental and royalty rates, as well as the form on which a bid(s) shall be submitted and where that form may be obtained. Remittances for competitive bids shall be submitted as required in the detailed statement of sale notice.

[53 FR 17370, May 16, 1988]

§ 3220.2-2 Detailed statement.

The detailed statement shall contain information on when and where to submit bids, bidding requirements, required payments, lease terms and conditions, the description of the leasing

units being offered and any other information that may be helpful to the prospective bidder.

[53 FR 17370, May 16, 1988; 53 FR 31959, Aug. 22, 1988]

§ 3220.3 Publication of the notice.

The notice of lease sale shall be published once a week for 3 consecutive weeks in a newspaper of general circulation in the area in which the lands are situated or in such other publications as the authorized officer may determine appropriate. The successful bidder shall, prior to lease issuance, pay his/her proportionate share of the total cost of publication of the notice.

[53 FR 17370, May 16, 1988; 53 FR 31959, Aug. 22, 1988]

§ 3220.4 Bidding requirements.

(a) A separate identified sealed bid shall be submitted for each lease unit. Each bidder shall submit with the bid a certified or cashier's check, bank draft, money order, or cash in the amount of one-fifth of the amount bid. Execution and submission of a bid as prescribed in the detailed statement of lease sale constitutes certification of compliance with subpart 3202 of this title. Proof of qualifications to hold a lease shall be furnished upon the written request of the authorized officer in accordance with § 3202.2 of this title.

(b) All bidders are warned against violation of the provisions of 18 U.S.C. 1860 prohibiting unlawful combination or intimidation of bidders.

(c) If the lease is terminated by relinquishment, or for failure to make timely payment of annual rentals or for any other reason, any unpaid installments of the bonus bid shall be immediately due and payable to the lessor.

[44 FR 12039, Mar. 5, 1979. Redesignated at 48 FR 24369, June 1, 1983, and amended at 53 FR 17370, May 16, 1988]

§ 3220.5 Award of lease.

(a) All sealed bids shall be opened at the place, date, and hour specified in the notice. No bids will be accepted or rejected at that time.

(b) In the event that the Secretary determines to issue a lease, that lease shall be awarded to the highest responsible qualified bidder. High bids deter-

mined to be inadequate by the authorized officer shall be rejected.

(c) If the authorized officer cannot issue a decision to accept or reject the high bid within 30 days, the high bidder shall be notified and informed in writing of the reason for the delay and when a decision is expected.

(d) The right to reject any and all bids is reserved by the Secretary. If the high bid is rejected or is determined by the authorized officer to not be in compliance with the requirements set out in the detailed statement or the award notice, the bonus bid submitted with the bid shall be refunded; and

(e) If the lease is awarded, 3 copies of the lease shall be sent to the successful bidder who shall, within 15 days of receipt of notice, sign and return the lease forms together with payment of the balance of the bonus bid, the first year's rental and the bidder's proportionate share of the notice of lease sale publication costs. When the three copies of the lease are executed by the successful bidder and returned to the authorized officer, the lease will be executed by the authorized officer and a copy will be mailed to the lessee.

(f) If the successful bidder fails to execute the lease or otherwise comply with the applicable regulations, the deposit will be forfeited and disposed of as provided in section 20 of the Act. In this event, the lands may be reoffered when it is determined, in the opinion of the authorized officer, that sufficient interest exists to justify a competitive lease sale.

[44 FR 12039, Mar. 5, 1979, as amended at 48 FR 17045, Apr. 20, 1983. Redesignated at 48 FR 24369, June 1, 1983, and amended at 53 FR 17370, May 16, 1988]

PART 3240—RULES GOVERNING LEASES

NOTE: The information collection requirements contained in part 3240 of Group 3200 have been approved by the Office of Management and Budget under 44 U.S.C. 3507 and assigned clearance number 1004-0074. The information being collected to allow the authorized officer to determine if parties obtaining an interest in a lease are qualified to hold such interest. This information will be used